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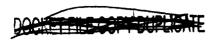
Dockets 202 PP No. 93-253



OFFICE OF THE CHAIRMAN

## FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON



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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Honorable Mitch McConnell United States Senate 120 Russell Senate Office Bldg. Washington, DC 20510-1702

Dear Senator McConnell:

This is in response to your letter of September 15, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. You express concern that telephone companies such as Cincinnati Bell Telephone that do not have a controlling interest in cellular radio licenses may be restricted from full PCS participation.

On September 23, 1993, the Commission adopted final rules in GEN Docket No. 90-314. Our decision allocates 120 megahertz of spectrum for licensed PCS, and permits telephone companies without cellular interests to access up to 40 megahertz of this spectrum (the maximum authorized to any one licensee). Telephone companies with cellular interests will be restricted to 10 megahertz in a PCS service area in which they own 20 or more percent of the stock in a cellular company, if the cellular company serves 10 or more percent of the population of the PCS service area. It is my understanding that Cincinnati Bell owns more than 20 percent of the stock in a local cellular licensee. Thus, Cincinnati Bell would be eligible to obtain 10 megahertz of additional spectrum at 2 GHz to provide PCS service. Inasmuch as we permit cellular licensees to provide services in addition to mobile voice, the cellular licensee in which Cincinnati Bell owns the minority interest also will be permitted to use its cellular spectrum at 800 MHz to provide service equivalent to PCS.

The limitations on the ability of telephone companies with significant interests in cellular licensees to provide PCS in their service areas are designed to foster competition among PCS providers and between PCS providers and cellular operators and to promote diversity in the provision of PCS. For your information, I am attaching the press releases of GEN Docket No. 90-314 and PP Docket No. 93-253 that address these issues.

Sincerely,

James H. Quello

Chairman

Enclosures

MITCH MSCONNELL KENTUCKY

United States Senate

WASHINGTON, DC 20510-1702 (202) 224-2541 COMMITTEES:

AGRICULTURE
APPROPRIATIONS
RULES
ETHICS (VICE CHAIRMAN)

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September 15, 1993

The Honorable James Quello Chairman Federal Communications Commission Room 802 1919 M Street, N.W. Washington, D.C. 20554

Dear Chairman Quello:

I understand that the FCC may consider rules for Personal Communications Services (PCS) later this month. While I am pleased with this development, I would like to take a brief moment to express my concerns with restrictions that may prohibit certain telephone companies from participating in this new technology.

It has come to my attention that in addition to providing telephone services to the Greater Cincinnati area, Cincinnati Bell Telephone holds a minority non-controlling interest in a local cellular license. I understand that Cincinnati Bell does not control the company, but rather their participation in the franchise is solely one of financial investment.

As the FCC examines this issue, I strongly encourage you to give thoughtful consideration to companies seeking access to PCS technology who do not control cellular licenses -- such as Cincinnati Bell.

Thank very much for your consideration of this matter. I look forward to hearing from you in the future.

Sincerely.

MITCH McCONNELL

UNITED STATES SENATOR

MM/pcq